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- ART. VIII.—1. *The Tariff Question considered in regard to the Policy of England and the Interests of the United States. With Statistical and Comparative Tables.* By ERASTUS B. BIGELOW. Boston: Little, Brown, & Co. 1862. 4to. pp. 103 and (Appendix) pp. 242.
2. *The Charter of the Nations; or Free Trade and its Results: an Essay on the Recent Commercial Policy of the United Kingdom, to which the Council of the National Anti-Corn-Law League awarded their First Prize.* By HENRY DUNCKLEY, M. A. London: W. and F. G. Cash. 1854. 8vo. pp. xx., 454.

It is but a few years since the revenues of the United States, under a low tariff, so far exceeded the expenditures of the government, that considerable amounts of the public debt were paid off at a high premium, in anticipation of its maturity. Peace then reigned throughout our borders, business was unwontedly active, and the public expenditures were moderate. War has wholly changed the face of things; the ordinary channels of revenue are interrupted, and a great public debt has been created. Second only to the importance of crushing the rebellion is that of providing means, for the present and for the future, to carry on the government, to maintain its credit, and ultimately to liquidate the national debt. To this end important financial measures have been adopted, and systems of currency and of taxation set on foot, the success and wisdom of which time only can determine. Within little more than a year, the tariff has been twice revised, and as we are now writing the new tax bill, with its multitude of imposts, its great array of officers, and its unfamiliar machinery, is about to go into operation. All open questions respecting the revenue, and the best modes of developing the productive capacity of the country, require now to be reconsidered. Of these the tariff, as it bears on the protection of domestic industry, is one of the most important.

Ever since the conclusion of the last war with England, the tariff has played an important part in American politics. Designed at first only to create revenue, the experience of that

war taught the importance of using it to build up and foster those manufactures the want of which had subjected the country to great privations and unnecessary suffering. The tariff of 1816 first distinctly proposed protection as an end ; and it is an interesting fact, that on that ground it received the support, not only of the Northern manufacturers, but also of the cotton-growers of the South, who wanted protection for their new staple against the competition of those countries from which the principal supply of it was then derived. The grain-growing States of the West were also favorable to the new principle. Massachusetts, whose predominant interests at that time were trade and navigation, opposed the tariff of 1816, as likely to interfere with her profitable commerce. The attitude of the two representative statesmen of the North and South, then fresh in public life, is in striking contrast with that on which they stood and battled afterward ; Mr. Webster leading the opposition to the tariff, while Mr. Calhoun was its principal advocate. Mr. Clay then and always favored the cause of protection to American industry.

The principle on which the tariff of 1816 was based was to impose duties, virtually prohibitory, on foreign articles of which a full domestic supply could be produced ; and a duty of twenty per cent on those of which only a partial domestic supply could be produced ; while on a third class, which embraced articles of large consumption chiefly produced abroad, it adjusted the duties so as to raise the greatest revenue. Since 1816, the tariff has been revised nine times ; namely, in 1824, 1828, 1832, 1833, 1842, 1846, 1857, 1861, and 1862. It was not till 1828 that the New England States generally gave in their adhesion to the doctrine of protection. In the language of Mr. Webster, it had “ now become the established policy of the nation, and the Eastern States had adapted themselves thereto, and it harmonized with their best interests that it should be maintained.”

The Cotton States began about the same time to oppose it ; loudly complaining that the “ Northern and Middle States were to be enriched by the plunder of the South.” These complaints grew more and more bitter, until they culminated in the nullification of South Carolina, in 1832 ; and from that

day to this, the tariff has been one of the alleged grievances of that party in the South which has been solicitous to throw off allegiance to the Federal government, and to set up a new Confederacy, with free trade for its watch-word, and slavery for its "corner-stone." \*

While such has been the position of the Cotton States, the tobacco regions of Virginia and Kentucky, and the sugar districts of Louisiana, have espoused the cause, and reaped the benefits, of a protective policy. Had the controversy been one of sections only, the principle of protecting American industry would have permanently prevailed ; but the skill by which the South has so long controlled the policy of the government enabled it to divide the opinions of the North on this question, and to make free trade, or opposition to a protective tariff, one of the maxims of the Democratic party of the Union ; and the influence of that party, while not sufficiently powerful to repeal all protective duties, intimately allied as it has been with the principal source of national revenue, has nevertheless prevailed to make the tariff a debatable ground. By substituting *ad valorem* for specific duties, by establishing the warehouse system, and by other legislation friendly to the interests of foreign importers, it has rendered the business of manufacturing so uncertain and precarious, as to repel the investment of capital, and materially to retard that species of production. The arraying of labor against capital is one of the saddest fruits of thus dragging a commercial question into the arena of politics. There can, certainly, be no policy permanently advantageous to the employers of labor which will not enure to the benefit of the employed ; but again and again have the Democratic masses of New England thronged to the polls to vote for men whose avowed policy it was to strike down the system which gave the people work, and which has

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\* This apt expression is not original with Vice-President Stephens. His ally, Punch, some months before, doubtless with a premonition of the coming power, foreshadowed its policy in the felicitous lines,

"The *corner-stone* of all white right,  
And there aint nowheres a bigger,  
Is the innate right of every white  
To wop his private nigger."

made the inhabitants of this portion of our country producers of wealth, and consumers of luxuries, to an extent unknown in any other quarter of the world. That these blessings are not confined to the rich, is made evident by the absence of a suffering poor, by the comfortable homes of all classes, and by an amount of deposits in savings banks which is elsewhere without a parallel.

It has been the misfortune of the tariff question to borrow from the domain of party politics the loose generalizations and unfairness of statement which characterize party discussions. It has fared no worse in this respect, however, than other commercial questions: the currency and internal improvements have been equally made the subjects of party warfare. In no other country have interests common to the whole nation been so often sacrificed to the behests of party, or to the exactions of personal ambition.

The want of uniform and intelligent legislation, on this and kindred questions, is due in part, however, to other causes than the dominion of politics. One of these is the short tenure of public office, and of Congressional life. Neither in the executive nor the legislative department of the government at Washington do the practice and traditions of our people permit men to remain long enough to acquire the experience necessary for the framing of commercial laws. It needs much patient study, and the mastering of many details, — a labor which would sadly interfere with the reading of newspapers, correspondence with constituents, and franking of garden seeds, which are the usual employments of a Representative's leisure. There must be greater permanence in public life, and (we say it not invidiously) a different order of public men, before the best results can be hoped for. A wide acquaintance with facts and figures, as well as with principles and men, is necessary to the training of a commercial statesman. In the British House of Commons, such a man as Mr. Cobden earns the right to dictate a commercial treaty of the first importance to the nation only by virtue of long and laborious years spent in that assembly, and by a private life devoted to business, and enriched by much intercourse with men, and familiarity with commercial affairs. The want of a bureau of

statistics at Washington is also a serious embarrassment to progress in legislation. The results of the nation's industry are not gathered together, preserved, and systematized in a way to make them the most useful and instructive. Private endeavor has done something to supply this deficiency, and the partial contributions of Pitkin, Seybert, and DeBow to our statistical history will be gratefully regarded by future statesmen. We have still, however, the mortifying reflection, that the American who would find the fullest and most accurate statistics of his country must seek for them in the English works of Macgregor, and in the Accounts and Papers of the British Parliament.

Mr. Bigelow's book upon the tariff is a timely contribution to the discussion of that subject. We know of no English or American work which equals it in extent of detailed information, and in that cogency of argument which rests on the truth of figures. The tables in the Appendix are a monument of industry, and will prove of great and permanent value. No one who has not prepared them can imagine how much of time and of arithmetic such tables cost. The book does not pretend to be a treatise on political economy, but it handles the question of the tariff in the practical way which characterizes the inquiries of business men. Few men in this country have been better trained for such an undertaking than its author. To the acute observation of a practical mechanic, who has contributed to American machinery some of its most valuable inventions, he adds the experience of a manufacturer long engaged in both the cotton and the woollen trade. He is thoroughly familiar with the mechanism and processes of British manufacture, and with the English methods of conducting business. He has made commercial legislation, both State and national, a peculiar study; and in the arrangement of tariff laws, his advice has been sought and valued. To those familiar with these matters, Mr. Bigelow's opinions would come with a weight of authority such as few men can command; but in the work before us this personal confidence is not exacted, and no statements are presented which are not accompanied by satisfactory vouchers for their truth.

The main purposes of the book are to vindicate the policy

of protecting American industry, and to analyze those free-trade measures of Great Britain upon the strength of which she sets herself up as a benefactor and monitor to the whole outer world. English precept and English example are the stock in trade of the free-trade advocates of this country; and Mr. Bigelow wisely concludes that the most effectual way to answer their arguments, and at the same time to open the eyes of his countrymen to their real interests, is to explain the causes and operation of the changes which England has introduced into her tariff, in order to show that her system is based upon the purest selfishness, and a desire to get the advantage of every nation with which she deals. How successfully the work fulfils these purposes, we shall endeavor to show by a free use of its figures and deductions.

The theory of free trade has great plausibility; and if there were no refracting influences to be taken into the account, its axioms would be unanswerable. "To buy in the cheapest and sell in the dearest market," is the rule of every trader of ordinary sagacity. So, also, to devote the industry of a nation or section to that species of production in which it most excels, depending on the interchange of commerce for a supply of those things which can be produced more cheaply elsewhere, would seem to give to the energies of all communities the greatest scope and development. It would doubtless be so, if the world constituted but one vast nation, speaking a common language, living under the same government and laws, enjoying the same civilization and the same religious and social advantages, with equal capacity to make labor profitable, with equal use of capital to give it employment, with unlimited markets, with universal peace, and with a spirit of hearty and unselfish co-operation animating every part of the great whole. On these conditions, the theory of reciprocity might become a beneficent fact. The very statement, however, of these conditions, all of which we deem indispensable to the equitable working of free trade, carries to our mind a conviction that it is an impossibility in the actual condition of the world. There is no such equality, or similarity even, in the capacity and condition of nations, as to make true reciprocity between them possible, and there is no known system of international "*handi-*

*capping*” by which they can be equally weighted for the race of competition.

The free-trade measures of Great Britain have consisted mainly in the modification and final repeal of the Corn and Navigation Laws, and in the reduction or abolition of duties on provisions and other articles of food, and on raw materials and materials partly manufactured, both of which enter largely into British manufacture. Duties on foreign manufactures have also been abolished; but the amount derived to the revenue from those duties was so trifling as to make the abolishing or maintenance of them of very slight importance, and they have entered very little into the *domestic* discussions of free trade in England. The abstract right of foreigners to compete on equal terms with the home producer in British markets, when such competition was to be feared, has never been gravely considered in the House of Commons. Yet it will be borne in mind that the chief aim of the free-traders of the United States is to accomplish the repeal of duties on those foreign manufactures and productions which come most directly in competition with native products, for the purpose of lowering the cost to consumers at the expense of the home manufacturer.

The English policy may be summed up in a few words. The wealth of a people depends upon the amount and value of its productions. Those products are most valuable to a nation which give the greatest employment to its labor and skill, and use to its capital. For this reason manufactures are more valuable than agriculture, especially where the national territory, like that of the British islands, is too narrow to support its population, if devoted to agriculture alone. Manufactures are, therefore, to be fostered. The cost of manufactures depends mainly on the cost of the raw material, and of the labor which works it up. The wages of labor depend on the cost of living. Reduce, therefore, every tax on raw materials (especially on such as are not produced at home), and every tax on food and on whatever else enters into the cost of living, and you have fulfilled the first indispensable conditions to cheap manufacturing production. Having obtained your product, the next business is to sell it; and here your most important



intercourse with foreigners begins. They are your customers, and are to be conciliated by any expedients which will secure their trade. If reciprocity will do it, and will introduce into foreign countries a maximum amount of British products at the expense of receiving a minimum amount of theirs, then let reciprocity be tendered, and let free trade be urged upon them, and brought about by all the resources of wealth and all the arts of diplomacy. If, like China, they are weak, and not open to the arts of civilized diplomacy, then let loose the dogs of war, bombard and burn their cities, and put their people to the sword, until they submit to receive the civilization of England and the opium of India. But with the strong let there be peace; for it is better to reap only a partial harvest from our trade, than to waste its fruits in wars that bring no gain. When markets cannot be made by English cannon, let the way be prepared by English agents, studiously inculcating English ideas.

Such is British free-trade as it is practically taught at home. Whether we have misjudged it let the reader determine, after perusing the following passage from the prize essay expounding its principles, the title of which we have placed at the head of this article. The author is describing the situation of Great Britain at the close of the revolutionary wars of Europe in 1815.

“The commercial position of Great Britain was especially interesting. The victories of Nelson had all but annihilated the navies of every Continental power, and left us, with the single exception of a rival across the Atlantic, the undisputed masters of the sea. The long continuance of hostilities had depressed every manufacturing interest which might have entered into successful competition with our own, and constituted the British Isles the workshop of the world. In order to maintain this proud position, it was, above all things, requisite that we should enter into relations of friendly and equitable intercourse with other nations, and freely admit, in exchange for our own produce, whatever they had to offer. Such a policy would, no doubt, have been attended with the happiest results. *It would have confined the capital of our neighbors to the production of raw materials, or to those kinds of handicraft in which peculiar advantages permitted them to excel; it would have prevented the rise of that commercial jealousy which has thwarted so many of our best-laid plans, and exposed our trade to such extreme dangers.*”

This is wisdom doubtless, but it is the "wisdom of this world," and it does not pre-eminently answer that definition of free trade which is elsewhere given by the clerical author, that it is "the embodiment of the Christian thought that all men are brothers."

We propose, now, to review briefly the free-trade legislation of Great Britain, and to see what she has done to entitle her to the name and place of monitor of the nations.

The school of the Economists, dating back its origin to the publication of Adam Smith's "Wealth of Nations," began to exercise a considerable influence in England about the year 1820. Up to that time, though manifesting great individual strength, which showed itself especially in the currency discussions which took place between 1804 and 1812, they accomplished nothing in the way of legislation. The act of 1819, compelling the Bank of England to resume specie payments, was their first Parliamentary triumph. In 1815 the influence of the landed aristocracy, then paramount, as it has always been patent, in the British legislature, had given new security to the Corn Laws by procuring the passage of a law by which the importation of foreign corn was absolutely prohibited till its home price should reach eighty shillings per quarter (of eight bushels). The price of wheat, under this law, rose in June, 1817, to the enormous height of 112 shillings and 8 pence. The poor of the manufacturing districts were reduced to the brink of starvation, and thence arose the Manchester riots of 1816 to 1819, which so disturbed the peace of Lord Liverpool's government, and led to the suspension of the Habeas Corpus Act, and the dispersion by military force of the famous assembly of the laboring classes at Peterloo, on the 16th of August, 1819. Trade and manufactures languished, and discontent prevailed among all classes.

In 1820 the first distinct enunciation of the doctrines of free trade was brought to the notice of Parliament, by the petition of certain merchants of London, praying that "every restrictive regulation of trade not essential to the revenue, all duties merely protective from foreign competition, and the excess of such duties as were partly for the purpose of revenue and partly for the purpose of protection, might be

repealed." Here was the platform broadly laid down; but the sentiment of the governing classes yielded to it only a slow and gradual acquiescence. In 1822, considerable relaxations were introduced into the Navigation Laws, opening the commerce of the United Kingdom, in greater measure than before, to foreign vessels, and facilitating the interchanges of the colonies with one another and with foreign countries.

The Navigation Laws were the offspring of the seventeenth century; and they had continued essentially unaltered for nearly two hundred years. The original act declared, "that no merchandise of Asia, Africa, or America should be imported into any of the possessions of Great Britain, except in English-built ships, belonging to English subjects, navigated by an English commander, and having a majority of the crew Englishmen." It further enacted, "that no goods, the growth or manufacture of any country in Europe, should be imported into Great Britain, except in English ships, or in ships belonging to the country in which the goods were produced, or from which they were commonly imported." Similar restrictions were, at an early period, laid on the export of goods from Great Britain; and the importation of the produce of other countries, even in the ships of those countries, was further embarrassed by discriminating duties and onerous charges.

The first relaxation of these laws was incorporated into the treaty with the United States in 1815; and under the provisions of the "Reciprocity of Duties Act," it was subsequently extended by treaty to other countries. It was not, however, till the act of 1849, that the whole foreign trade of Great Britain was thrown open to the unrestricted competition of all nations. The coasting trade is still confined to native ships.

In 1824, Mr. Huskisson introduced his bill for the revision of the silk duties. Previously to that time, the importation of foreign manufactured silks had been absolutely prohibited; while on raw silk and thrown silk (silk spun into thread) the duties were so high as to be virtually prohibitory. By Mr. Huskisson's bill, the duty was reduced on raw silk from four shillings to one penny a pound; on thrown silk, from fourteen

shillings and eight pence to three shillings and sixpence ; and on foreign silk goods, to thirty per cent *ad valorem*.

In 1825, the principles of this act were extended to other classes of imports, and, in place of prohibitions, *ad valorem* duties of thirty per cent were imposed on manufactured goods ; while on many raw materials entering into British manufacture the duties were wholly repealed. These measures were not adopted without great opposition from the silk and other manufacturers to be affected by them ; but they operated largely to their advantage, as the statistics of the silk trade, for example, speedily showed. A great increase took place in the importation of *raw* silk, and consequently in the product of British looms ; but there is no evidence that the import of *manufactured goods* was materially increased. The duty of thirty per cent was still so nearly prohibitory, as to afford a perfect protection to the home manufacturer. Of thrown silk, the amount imported actually declined ; showing that, with raw materials free, the British spinner, as well as weaver, was more than a match for his foreign rival.

The adjustment of the silk duties is a type of all subsequent legislation upon the tariff in Great Britain. It had in view the interests, not of the consumer of manufactured goods, but of the domestic producer ; for, by reducing the cost of production, it enlarged the British product, and consequently the export to other countries.

The death of Mr. Canning, in 1827, put a check upon the liberal domestic and foreign policy which he and his associates had inaugurated. The personal magnetism which had held together an enlightened body of men from both the Whig and the Tory party was now wanting, and England fell back again into the Tory hands of Wellington and Peel. The reform of Parliament soon took the place of all minor questions of legislation ; and until it was accomplished by the Reform Bill of 1831, nothing else was attempted. Although this measure involved the principle of all reforms, it was in greater measure than has usually been supposed the direct fruit of that demand for the reform of the commercial law, which had dictated the merchants' petition of 1820, and

the bills of Mr. Huskisson in 1824-25. The manufacturing districts demanded a repeal of the Corn Laws, and of all restrictions upon their trade; but as they had no voice in Parliament, their demands were not listened to. To make themselves heard was the first necessity. This they endeavored to do by the purchase of boroughs, and by influencing the election of county members; but it was evident that, without the power to elect members of their own, Manchester and Sheffield would be but imperfectly represented. The manufacturers, in laboring for the Reform Bill, were not influenced, therefore, so much by a general sense of injustice at their exclusion from the public councils, as by a desire to accomplish certain specific objects by legislation friendly to their interests. The Englishman has not, like the American, that innate love of politics which will lead him to sacrifice property and prospective gains for the empty honor of a seat in Parliament; but he has a very quick perception of whatever affects his trade, and he is untiring in his efforts to remove every obstacle to its successful prosecution.

“Parliamentary reform was desired chiefly as a means of breaking the landlords’ monopoly of the people’s food, and bursting the fetters which bound our trade. This was the meaning of the Luddite riots at Nottingham, the blanketeering expedition in Lancashire, and the massacre of Peterloo: this was the secret of the enormous power which was wielded by Cobbett, Hunt, and their associates, and which afterwards displayed its embattled front in the political unions of 1831. Thus the agitation which has disquieted the nation for the last half-century has been closely connected with the maintenance of our protective policy, and even the great achievement of Parliamentary reform was but a stage in the progress of legislation towards free trade.”\*

For twenty years succeeding the modification of the silk duties, the free-trade movement showed itself chiefly in agitation against the Corn Laws, which resulted in their final repeal in 1846. The object of these laws was to protect the British farmer against foreign competition, by so adjusting the duties on imported corn as to make the price at all times remunerative to the native grower. The duty on corn, therefore, depended on the price in the home market, being lowest when

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\* Charter of the Nations, p. 47.

the price was highest, and increasing in rate as the price fell, till they became absolutely prohibitory. Between 1838 and 1840, the Anti-Corn-Law agitation was renewed with unexampled fervor. A succession of bad harvests had led to the importation of a large amount of foreign corn, and to the export of gold to pay for it. This, conspiring with other causes, brought on a monetary crisis, and reduced the Bank of England to the humiliating necessity of borrowing gold in France to maintain its credit.

“In this state of the money market, trade experienced a fearful depression. Wages were low, employment irregular, and provisions dear; discontent brooded fiercely in the minds of the factory population, and threatened a destructive outbreak ere long. Social animosities were kindled, Chartist agitation was rife, conspiracies and insurrections, incendiary speeches and midnight drills, were again the order of the day.”

The report of a committee of the House of Commons in 1840, on the “Import Duties,” disclosed some remarkable facts with regard to the foreign trade and revenue of the country, which were seized upon by the Anti-Corn-Law party, and made the basis of their systematic agitation. It was proved before this committee, that  $94\frac{1}{2}$  per cent of the custom-house revenue was raised on seventeen articles only, while more than eleven hundred articles were subjected to imposts for the sake of raising the remaining  $5\frac{1}{2}$  per cent. Out of £22,000,000, the average annual revenue from customs, it appeared that more than £20,000,000 was raised on raw materials and on food. The export of cotton goods had increased only twenty-five per cent in ten years; and of these the portion of finished goods had actually declined; the gain being only in the export of yarns, the form least profitable to the manufacturer, since raw materials rather than labor entered most largely into their value.

The Anti-Corn-Law League was organized in 1839. It grew out of a meeting held at Manchester in January of that year, to make a demonstration against the Corn Laws. As the result of that meeting, a petition for the repeal of those laws, supported by forty thousand signatures, was presented to Parliament by Mr. C. P. Villiers, on the 15th of February, accom-

panied by a motion that the petitioners be heard at the bar of the House. This motion was rejected by a decided vote; as was a subsequent motion "to take into consideration the laws affecting the importation of corn." Upon these rejections, the League was formed, and a series of measures adopted for agitating the public mind, and compelling Parliament to act on this subject, similar to those which had been resorted to in 1830, to bring about the passage of the Reform Bill. The wealth of the great manufacturers was poured out with a lavish hand; lecturers were sent into all the great manufacturing towns, as well as into the rural districts; pamphlets were written, and newspapers and circulars despatched to every corner of the kingdom. A new class of public men now came upon the stage, the future leaders of the Manchester school. Through the Anti-Corn-Law agitation, Mr. Cobden, Mr. Bright, Mr. Fox, Mr. James Wilson (editor of the Economist, and at the time of his death, in 1860, Finance Minister for India), made their entrance into public life. One of the most remarkable pamphlets of the time was from the pen of Mr. Wilson. It was entitled "The Influence of the Corn Laws," and it went to show that the operation of those statutes was as hurtful to the agriculturist as to the manufacturer. Its concluding and most forcible argument is as applicable to the case of the grain-growing interest of the United States now, as it was admitted to be to that of a similar class in Great Britain at the time of its publication. He denied that there was any antagonism between the interests of the farmer and of the manufacturer, and asserted that the employer of factory labor was in fact the best customer the agriculturist had, as was evident from the superior condition of such laborers, and their ability to purchase comforts, and even luxuries, when compared with the laborers either of the rural districts or of the Continent. He argued, "that the high price of provisions is rather the *effect* than the cause of high and well-paid labor; and that the low price of provisions is, on the contrary, the effect of ill-paid labor, and the consequent inability to consume proportionally with the production." He showed, also, that the producer of corn is directly interested in the export of manufactured goods.

“ Although the English farmer does not export his corn, or his other produce, in the exact shape and form in which he produces them, they constitute not the less, on that account, a distinct portion of the exports of this country, and that in the best of all possible forms. Just as the manufacturer exports the wool, or the silk, which enters into the fabrics of those materials, does he export the corn which paid for the labor of spinning and weaving them. It would be an utter impossibility that this country could consume its agricultural produce, but for an extensive manufacturing population; or that the value of what would be consumed could be near its present rate. If, without this aid, our agricultural produce were as great as it now is, a large portion would have to seek a market in distant countries; it would then have to be exported in the exact form in which it is produced; the expenses of which, being so large, would reduce very greatly from its sale and net price, and the landed interest would be immediately affected thereby. But as it is, the produce of the land is exported in the condensed form of manufactured goods, at a comparatively trifling expense, which secures a high value to it here. Thus, for example, a few bales of silk or woollen goods may contain as much wheat in their value, as would freight a whole ship. While the Chinese or Indians buy our cotton, our silks, or our woollens, they buy a portion of the grain, or the produce of the land, of this country.”

The first fruit of the efforts of the League was the introduction of a ministerial measure for revising the tariff on corn, under the administration of Lord Melbourne, in 1841. It met the combined opposition of the landed interest and of the Conservatives, and led to the defeat of the ministry, which was succeeded by that of Sir Robert Peel. The condition of the manufacturing districts at that time was truly deplorable. The distress and enforced idleness surpassed all former precedents, while the depression of trade had caused the revenue to fall below the expenditures of the government. The new ministry, having defeated their predecessors on a tariff measure, in conformity with the usage of the House of Commons, introduced their substitute propositions early in the session of 1842, and they subsequently passed into laws. The corn duties were reduced, but the principle of the sliding scale was still retained. The duties on butter, cheese, live animals, and sundry other articles of food, were materially diminished, and timber duties to the extent of £ 600,000 annual value re-



pealed, to the material advantage of the shipping interest. Export duties on woollen, silk, and iron goods were also repealed. As we have noticed in reference to earlier legislation, so it will be observed of this, that its whole tendency was to reduce the cost of food and to emancipate manufactures and navigation from burdens which interfered with a successful competition in foreign markets. The enactments were, however, but half-measures, and as such met the approval of neither party. To the landed interest they were offensive, because they yielded anything, and to the manufacturers unsatisfactory, because they did not yield everything, to the demands of the agitators. Other duties were reduced in 1843, 1844, and 1845, the most important of which was the duty on cotton, which yielded an annual revenue of £680,000. Nearly all these modifications of the tariff related to raw materials, or to export duties on domestic products; few of them to foreign manufactures.

Distress, deficiency of revenue, and agitation had brought about many of the reforms demanded; but the presence of a greater emergency still was wanting before the *coup de grace* should be given to the obnoxious statutes. That emergency came in the Irish famine of 1845-46. The extent and suddenness of that national calamity are well remembered in this country; for they appealed strongly to the sympathies of a kindred people, and called forth from them substantial and generous relief. The potato disease first showed itself in the crop of 1845, but its greatest ravages occurred in 1846. No sooner was the fact of its existence established, foreshadowing as it did the horrors of the famine which ensued, than the resolute mind of Sir Robert Peel determined upon the only effective remedy. The prejudices and professions of a long public life had been shaken by the favorable results which had attended the previous partial relaxation of the duties on food, and he was now prepared to advocate their ultimate total repeal. This third and most remarkable recantation of the errors of his youth and of his party\* he made the subject of a special memoir, which, with others explanatory of

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\* The other changes of opinion referred to were on the Currency Question in 1819, and on Catholic Emancipation in 1829. See *North American Review*, October, 1857.

his public life, was given to the world a few years after his death. To those who have read this memoir, the wisdom of his conduct at that juncture needs no other vindication. But the resolution so boldly taken was not easily carried out. Parliament not being in session, Sir Robert Peel proposed to suspend the Corn Laws temporarily, by an Order in Council, to be followed by a bill for their reduction and final abrogation at the opening of the session. His colleagues, however, would not abandon their old position, and it was not until after a resignation of the seals, and a resignation of the government, on the failure of Lord John Russell to form an administration, that any legislative measure of relief was carried through.

This measure was the "Corn Importation Bill," which was accompanied by another important measure of kindred character, — the "Custom Duties Bill." Both passed the Lords on the 25th of June, 1846; but their passage was fatal to the ministry. By a combination of the Whigs and Protectionists for that purpose, they were, on the same evening, defeated on another important bill, and immediately resigned. The Corn Importation Bill admitted colonial corn at once free of duty; and on the product of foreign countries it established a reduced sliding scale, to be continued till 1849, when it was to bear only the nominal duty of one shilling per quarter, which is the present tariff. The Customs Bill abolished the still subsisting duties on live animals and meats, on silks entering into domestic manufacture, on a limited class of manufactured silks (not, we believe, produced in England), on manufactures of cotton and wool, and on some other imports. Other existing duties were considerably reduced. Under the administration of Lord John Russell, the Navigation Laws were finally repealed, as we have elsewhere stated, and the sugar duties were so far modified as to place the produce of the British colonies and of foreign countries on an equal footing.

British legislation since 1846 has pursued the direction then given to it, chiefly under the guidance of Mr. Gladstone, the present Chancellor of the Exchequer, and the political disciple of Sir Robert Peel and inheritor of his opinions. The principal additional amendments to the tariff were made in 1853, 1859, and 1860. Those of 1860 were chiefly connected with the French treaty. The whole scope and purpose of this legis-

lation may be summed up in the words of Sir Robert Peel, on introducing his measures of 1842.

“With respect to raw materials, which constitute the elements of our manufactures, our object, generally speaking, has been to reduce the duties on them to almost a nominal amount; on half-manufactured articles, which enter almost as much as the raw materials into our domestic manufacture, we have reduced the duty to a moderate amount; and with regard to completely manufactured articles, our design has been to remove prohibitions, and to reduce prohibitory duties, so that the manufactures of foreign countries may enter into a fair competition with our own.”

The general scale of duties under the tariff of 1842, as since explained by Mr. Gladstone, was on manufactured articles, and duties for protection generally, twenty per cent *ad valorem*; on partially manufactured articles, not exceeding ten per cent; and on raw materials, not exceeding five per cent. The act of 1853 abolished such duties as had not proved productive, reduced the duty on manufactured articles to rates not higher than ten per cent, and lowered the duties on foreign articles of food. Subsequent acts have abolished most of the duties on foreign manufactures, except on those of silk, which until the French treaty bore a duty of fifteen per cent, but are hereafter, either at once or prospectively, in the commerce with France, to be admitted free. The British tariff, as explained by Mr. Gladstone in his speech on the Budget in 1860, now embraces only forty-eight articles. Fifteen of these, including sugar, tea, tobacco, wine, coffee, and timber, yield substantially the whole of the customs revenue. To show of what that revenue is now made up, we give the items for 1859:—

Sugar and Molasses . . . . .	£ 5,979,329
Tea . . . . .	5,271,703
Coffee . . . . .	425,828
Corn, Meal, and Flour . . . . .	582,864
Spirits . . . . .	2,278,319
Wine . . . . .	1,761,738
Tobacco and Snuff . . . . .	5,465,226
Wood and Timber . . . . .	574,239
Other receipts . . . . .	1,629,676
Total . . . . .	£ 23,968,922

Lest it should be thought that the French treaty and other legislation of 1860-61 will materially reduce the revenue from customs, we would state that Mr. Gladstone, in his estimates for the current year, put the customs at £ 23,550,000. Thus it will be seen, that Great Britain, the advocate for unrestricted freedom of trade, still levies an impost of nearly \$120,000,000 on the productions of foreign countries! Of this more than \$27,000,000 was levied on tobacco alone, and \$19,724,420 upon tobacco which was the growth of the United States. The entire customs revenue of the United States, in the same year, amounted to less than \$49,000,000, of which only \$18,072,887 was levied on English manufactures of every description. Who will say, after reading these figures, that Great Britain has the right to lecture us on the extravagance and injustice of our tariffs, or that the recent charge of the London Times, that, "*as far as tariffs go, America is already at war with England,*" is the offspring of anything else than overbearing ignorance?

The revenues of Great Britain have always been largely derived from customs duties, and they are so still; and the free-trade measures have made very little change in the sources of that species of revenue. In the twenty years from 1839 to 1859, the customs revenue increased nearly \$13,000,000, but of that increase but little more than half a million was derived from duties on foreign manufactures. From ninety-one to ninety-seven per cent of it was levied upon sixteen articles, being chiefly those enumerated on a previous page. Silk is the only article of manufactures included among them, and from this the revenue increased.

While, as we have seen, Great Britain receded in twenty years nearly thirteen millions of dollars from absolute freedom of trade, she in the same period, by the repeal of duties on food, and on raw materials and materials partly manufactured entering into her own manufactures, bestowed upon the home producer *qualified protection* to a very large amount. We have already shown how the interests of the manufacturer may be promoted by abolishing duties on food, and on raw materials. The remission of duties by which the cost of production is reduced, and the home producer thereby placed

on a vantage ground as compared with his foreign rival, is just as strictly a measure of protection, as the imposition of duties on the foreign product for accomplishing the same result. Each proceeding has in view the protection of home industry; and the one policy or the other will be pursued, as best suits the condition of each country in respect both to its domestic and its foreign trade. Lest we should be accused of confounding the distinctions of economical science, in thus applying the hateful word "protection" to a policy which England has deified, and daily worships, under the specious title of "free trade," let us quote one of the best and latest French authorities, to justify our definition.

"It is known that industrial protection is designed to throw upon the home market the products of the *national* labor, — that is, of indigenous manufactures and often agriculture, — free from the competition of similar products from abroad. This is the end: the means of attaining it are various. Thus, sometimes a government protects or proposes to protect a certain description of home-produced merchandise by absolutely prohibiting the importation of similar merchandise; sometimes the foreign product is merely charged with a duty equal to or exceeding the difference of price; while *a more modern method of protecting industry consists in exempting raw materials from import duty, to which is added the exemption, partial or entire, of articles of food.* . . . . The great contest which agitated England some years ago, and which terminated in the victory of the *Anti-Corn-Law League*, is yet so recent in the reader's memory, that it is unnecessary to develop at length the principle just stated. Every one knows that, the larger the cost of subsistence is, the higher is the rate of wages. Whatever tends to realize *cheap living* tends to lower wages, to diminish the costs of production, and consequently the prices of merchandise; and these diminished prices give the manufacturer an advantage over his competitors in opening and extending foreign markets for his goods." \*

England was already the first manufacturing nation of the world when she determined to change the form in which her industry had been always before protected. She aimed to extend her exports rather than her domestic consumption. In almost every species of manufacture she could defy competi-

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\* *Dictionnaire Universel théorique et pratique du Commerce et de la Navigation.* Paris: Guillaumin et Cie. 1861. (Title "Douanes.")

tion in her own markets ; on silk goods alone she had to yield to the superiority of France, and silk manufactures she has continued therefore to protect, precisely as we protect those of cotton and wool, and for precisely the same reason. The repeal of duties on the raw material accomplished much, and greatly increased the production of her own silk looms ; but a duty beginning with thirty per cent, and descending in the space of nearly forty years to fifteen per cent, was necessary to overcome the disadvantage which met the English producer in competition with the French. The extent to which domestic consumption can be increased in an old and densely populated country like Great Britain, is extremely limited ; especially under a social system which keeps the laboring classes in a certain state of degradation. The field of growth to England was doubtless, therefore, her foreign trade ; and this she has made every effort, by legislation, by diplomacy, and by the heavy hand of war even, to extend. The duties which she repealed on foreign manufactures yielded her scarcely any revenue, while the articles taxed were in themselves so numerous as to make the continuance of duties rather a burden to the custom-house than a profit to the exchequer.

“Let me show you,” said Mr. Cobden in the Corn Law debate, “what these custom duties are, about which you are so frightened. Cotton manufactures paid last year £ 3,700 ; lace, £ 7,600 ; china and earthenware, £ 3,600 ; linen, £ 12,000 ; woollens paid £ 16,700 ; silk manufactures, £ 240,600. The whole produce of protective duties on foreign manufactures was £ 284,200.”

“Subtracting from this sum the silk duties which were retained, the entire repeal of duty on foreign manufactures,” says Mr. Bigelow, “was £ 218,000 ; *being less than one fourth part the amount of tax which Englishmen annually pay for the privilege of keeping their dogs.*”

The amount of incidental protection conferred by the repeal of duties on raw materials, and materials partly manufactured, based upon the imports of 1839, reached the sum of \$ 12,135,000. When it is considered that, in the twenty years ensuing, British imports increased one hundred and forty-five per cent, the incidental protection now afforded, under these heads only, must amount to nearly thirty millions. On cotton alone, the tax remitted would amount to eight millions. A

protection no less considerable resulted from the repeal of the Corn Laws. The importation of bread-stuffs into Great Britain in 1860 amounted to \$156,000,000. The duty on this importation, according to the prices which ruled for three years before the repeal of the Corn Laws, would have been not less than \$31,000,000. Here, then, we see a protection of more than sixty millions of dollars, a sum exceeding the total revenues of the United States ten years ago, accruing to the British manufacturers from the repeal of these classes of duties only. How much more they have been able to gain, in the opening of foreign markets in response to the *liberal and unselfish* policy of their country, is matter only for conjecture; but every American knows that the repeal of the Corn Laws has been claimed to be such a boon conferred upon the United States, as to entitle the British manufacturer to great relaxations of our tariff in return; and that by this argument (accompanied, perhaps, by influences of a more questionable character) such relaxations have been obtained.

Mr. Bigelow has an interesting table, showing the exports of Great Britain from 1805 to 1860, and the ratio of exports to population during that period. From this table it appears that, down to 1849, there had been no increase of exports, *per capita*, over the average for the whole time, but rather a decline. From 1805 to 1808, the value *per capita* was \$16.21, while in 1847 and 1848 it was only \$13.87. The lowest point touched was in 1826 to 1829, when it was only \$11.29. From 1849 to 1852, it increased to \$17.26; and from 1858 to 1860, it reached \$27.89. This remarkable increase is claimed to be the fruit of the new commercial policy; but Mr. Bigelow argues that there have been other and more potent causes in operation, which are fully adequate to explain it. Most efficient among those causes have been the improvements in machinery and in the application of science to the useful arts, and the great increase in the supply of gold. California and Australia have, since 1848, swelled the annual production of gold from fifty to one hundred and fifty millions of dollars. The industry set in motion by this vast addition to the currency has added incalculably to the production and consequent wealth of the world. Of this wealth, Great Britain, from her

superior control of capital and of the varied industry which capital creates, has reaped the lion's share. But that these causes, and not any peculiarities of her commercial system, have stimulated her trade, is obvious, from the fact that they have operated in like manner, and to a still more remarkable degree, on the commerce of other countries. While British exports, between 1853 and 1859, under her free-trade policy, so called, increased less than 32 per cent, those of France and of the United States — the one maintaining, avowedly, a system of high, and the other of moderate protective duties — each increased more than 46 per cent. In England, even, the export of silks, which were protected, was more rapid than that of cottons, linens, or woollens, which were free.

The vast importance of her manufactures to England is but imperfectly comprehended by other nations. Even Englishmen are still heard to speak flippantly of the "cotton lords" and "Manchester men"; but the "cotton lords" are the lords of England's destiny, and the "Manchester men" will mould her domestic and foreign policy, by the necessary acquiescence, if not by the choice, of her people. She cannot trifle with her resources; and it is not the titled aristocracy, nor the landed gentry, nor yet the graduates of the learned Universities, who help to maintain her wealth, but the merchants of Liverpool, the spinners of Manchester, and the iron-masters of Wales. Only by sleepless vigilance can she replenish her exchequer, or keep her people from starvation. It is a significant fact, that every important relaxation of her tariff laws has been forced from the government by the cries of a people clamoring for bread. In Ireland, five millions of people never taste of wheaten bread, and three quarters of the population live on roots. Of the vast exports of the United Kingdom, it takes one fifth to pay for foreign breadstuffs, and at this very time the withholding of a single foreign staple is filling both her government and her people with dismay.

Of the total exports of Great Britain, 94 per cent are manufactured goods. The raw products of her soil — corn, iron, coal, wool, and flax — enter into these manufactures, either directly or indirectly, by furnishing subsistence to her people. They are thus not merely reduced to the most condensed form,



but enriched by the absorption of labor and the employment of capital. In the United States, manufactures constitute only  $12\frac{1}{2}$  per cent of the total export. England exports twenty-one times as much, in value, of manufactured goods as she imports, while in the United States we import of them more than seven times as much as we export. Her production of crude iron is three million tons, worth \$64,000,000, — an amount equal to the yield of all other countries put together; while the annual value of her textile fabrics is estimated to be from \$750,000,000 to \$850,000,000. One fifth of the population of the United Kingdom is dependent for subsistence, directly or indirectly, on the manufacturing system. The export of British cottons exceeds \$240,000,000 annually, and they are distributed in fifty-seven different markets. The entire capital employed in the cotton manufacture is more than \$500,000,000; and the average annual return upon this capital, and the labor devoted to the business, for ten years past, has exceeded \$175,000,000, or more than  $33\frac{1}{3}$  per cent. In 1858 and 1859, it averaged nearly \$189,000,000, or more than the total cotton crop of the United States, which was estimated at the average value, in those years, of \$186,000,000, — showing that the cotton *manufacture* of Great Britain is of more value than the cotton *culture* of the United States.

If we reflect upon the means by which these enormous results have been accomplished, we shall find that many of them are peculiarly enjoyed by the British manufacturer. He has the use of almost unlimited capital at a low rate of interest, while in the United States the amount of floating capital is so limited, and the returns upon landed and other investments so great, as to make the rate of interest always high. For fifteen years past, the average rate of interest in the United States has been 9.12 per cent, while in England (in open market) it has been only 3.90 per cent, and in France only 4.16 per cent. This difference of interest alone represents a great profit. The English manufacturer is surrounded by a dense population, from which an ample supply both of rude and skilful labor can always be obtained, and at a rate of wages from ten to thirty per cent lower than in the United States. His laborers are permanently resident in the

manufacturing districts, and not (as is often the case with us) imported into them, at a heavy expense, for a limited term of service; he can therefore employ them, or leave them idle, as best suits his interests. He lives in a country of small extent, where all the products applicable to his use are near at hand. With a network of railways bringing all parts of this small territory still nearer together, the land carriage on his coal and iron is short and cheap, and even the raw materials which he imports serve to ballast the ships which have gone to distant countries laden with his exports. His country is girt about by a vast colonial system, furnishing not only many of the necessities and luxuries of life, but an ever-extending market for her productions. What the United States might be with her domain extending from sea to sea, and from the tropic through twenty degrees of the temperate zone, Great Britain already is, through the extent and resources of her colonies. With her long-established connections, widely extended commerce, boundless capital, and conciliatory tariffs, England has made herself the *entrepôt* and great distributor of the raw produce of the world. Besides the profit which directly accrues to her merchants from this commerce, a great benefit results to her manufacturers also in the privilege which they enjoy in the first choice of materials, and the power which they command of fixing their market price. The British manufacturer has also all the benefits which result from legislation based upon his interests, and fixed and stable in its character. This enables him to look far into the future, and to embark safely in adventures which it will require years to bring to a profitable conclusion. If he goes abroad to introduce his wares, his government follows and protects him; she espouses his private quarrels, and sometimes lends her army and navy to collect his private debts. The recent Mexican imbroglio was only an effort on the part of England to compel Mexico to pay the bonds she owed to British subjects.

The weak point in the position of Great Britain is her dependence upon foreign countries for raw materials and for food, as well as for markets to absorb her surplus products. She is, for this reason, liable to be injured by every interruption of commerce in time of war, and by the trade regulations

of other countries in time of peace. A constant warfare must be maintained by her against the tariffs of other countries, which have a proclivity for looking after their own interests very inconvenient and provoking to England. Mr. Gladstone says of such countries: "*Their policy demands from us a vigorous and steady counteraction.*" A Parliamentary commission, reporting upon this subject in 1854, speaks of the "immense losses which manufacturers voluntarily incur in bad times, *in order to destroy foreign competition, and to gain and keep possession of foreign markets.*" Instances are referred to where a business has been carried on for this purpose at a loss of three or four hundred thousand pounds in three or four years. "*The large capitals of this country are the great instruments of warfare against the competing capital of foreign countries,* and are the most essential instruments now remaining by which our manufacturing supremacy can be maintained."

The most formidable dependence of Great Britain is for food. We have already stated that her imports of bread-stuffs in 1860 amounted to \$156,000,000, or nearly to a fifth part of her total exports. Great as was that amount, it has been exceeded during the past year. While the import of 1860 was 14,500,000 quarters, that of 1861 was 16,700,000 quarters.\* Besides bread-stuffs, her other imports of food amount annually to a hundred millions more. This dependence for food has grown more rapidly than the resources to pay for it, and more rapidly than the population of the country. In thirty years the import of bread-stuffs has increased 452 per cent, while the exports have increased only 310 per cent, and the population 36 per cent.

From a careful comparison of the foregoing and other facts, for the details of which we must refer the reader to Mr. Bigelow's volume, that gentleman ventures the assertion, that, "to sustain her present position, England *must* have an annual foreign demand for her manufactures of at least \$650,000,000."

We cannot better conclude this portion of our discussion, than in our author's own words.

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\* See London Economist, July 8, 1862, p. 145.

“When we consider that Great Britain derives her national strength mainly from her commerce, and that her manufactures almost entirely sustain that commerce, we at once see the ground of her anxiety to extend the area of free trade. As a successful rivalry in neutral markets would be fatal to her prosperity, her struggle for manufacturing supremacy is in fact a struggle for national life. It springs, indeed, from the strongest motive of human action,—the law of self-preservation. To imagine that, under such circumstances, she will neglect to employ any and every influence likely, in her opinion, to retard the manufacturing progress of other countries, is to expect from her a degree of disinterested and philanthropic virtue not to be looked for in any nation, and least of all in England.”

We have devoted what must necessarily be the greater part of this article to the commercial system and position of Great Britain, because she is the most formidable competitor with whom we have to contend, and it is necessary to be thoroughly familiar with her policy, before we can determine our own. She has been held up to us as a great exemplar, whose measures we should closely imitate, if we would reap the same success. Until the rebellion of the South unveiled to us her true character, as a watchful and jealous rival, coolly and hopefully speculating on the probabilities of the dissolution of our Union, we had been accustomed to regard her only as a friend and hearty co-worker in the cause of advancing civilization. It is now manifest, however, that our country must mark out her own policy, undisturbed by the sneers, undismayed by the threats, and unambitious of the sympathy of foreign nations. Her commercial policy is to be judged from her own point of observation, and not from that of any other country. We proceed, then, to consider how far the policy of Great Britain is applicable to our condition or worthy of our imitation.

The United States (and in this discussion we shall speak of it as it legally exists, and without at present noticing the revolt of a part of its people), from the extent of its territory, its varied climate, and the multiplicity of its natural productions, is unlike any other country on the globe. Its area is 2,963,000 square miles, while that of all Europe is but 3,700,000. It is nearly ten times as large as Great Britain

and France combined, and three times as large as France, Great Britain, Austria, Prussia, Spain, Portugal, Belgium, Holland, and Denmark together. The extent of its sea and lake coast, and the number and length of its navigable rivers, open this vast territory to a maritime commerce beyond what is enjoyed by the continent of Europe. Buried beneath its soil, or capable of being grown upon its surface, are nearly all the natural productions necessary to the support of its people, or the successful prosecution of its industry. The precious metals, which measure the wealth and regulate the exchanges of the world, and the far more valuable minerals, iron, copper, lead, and coal, which underlie all development in manufacturing or the useful arts, the raw textiles, cotton, wool, flax, and silk, timber for ship-building, the cereal grains, rice, sugar, and nearly every other considerable staple for food, are found, or may be produced, in the United States, in such abundance as to make it independent of foreign supply. Its vast territory being in many parts sparsely populated, there is room for an indefinite increase in the numbers of its people, and in their capacity to consume its products and generate wealth.

With these resources the United States has no need of any other reciprocity than such as may be established between different sections of her own country. Within her own domain, she realizes more of the conditions which we have annexed to the successful prosecution of free trade than can ever be realized between foreign nations, and this freedom of trade the constitution of her government has guaranteed forever. It should be her first object, therefore, to increase the production of this country, and to enlarge the capacity of the people to consume their own products. Toward foreign countries she should pursue such a policy as will most conduce to her own power and wealth. The great sources of her production are her agriculture, her mines, and her manufactures. All of these should be stimulated to the utmost degree; and, as each is largely dependent on the others for its own development, there need be no clashing of interests or subordination of one to the other. In one respect only should we be guided by the example of England. We should carefully study our own wants

and our own capacities, and these once learned, all the efforts of our people and the whole power of the government should be directed to the end of supplying our wants and developing our capacities. Our foreign commercial relations are determined by legislation, and our true course should be carefully chosen and undeviatingly pursued. Whether to throw open or to restrict our trade with foreign countries is a question always depending on circumstances. In this country, the protective policy has hitherto prevailed to a greater or less degree; and there is abundant reason now why it should not only not be abandoned, but why it should be upheld and defended, both by the government and the people, as the true American system. All civilized nations have in the earlier periods of their history protected their home industry by prohibitions against imports, or by the imposition of duties, and most nations do so still. England alone claims to have got beyond the necessity of them, and endeavors to deduce a general economic law from that which is, in truth, suited only to her peculiar condition. She repealed the duties on corn and cotton, to benefit, not our farmers, but her own manufacturers. Both being articles of prime necessity, she must have them, cost what they will; so that the burden of the duty falls chiefly on herself, and not on us. Not only was the motive to repeal not friendly to us, but it was dictated chiefly by hostility to our rising manufactures, especially to our cotton manufacture, which was rapidly coming to rival her own, both in our domestic markets and in those of South America and the East. What similar motive should induce us to relax our duties on manufactured goods and on iron? Such a relaxation would doubtless increase to a vast degree the importation of those articles, and would probably, for a time, furnish them to our citizens at a lower rate than that at which we can ourselves produce them; but who can doubt that, in all but coarser fabrics, our own production would be ruined, and how long after that ruin was effected would low prices, which are the result of competition, continue to prevail? Our dependence on English and other foreign manufacturers would be absolute; for we should cease to manufacture many fabrics necessary to our use, and we should depend on other countries for markets for our bread-

stuffs and other raw produce. Free trade urges us to abandon manufactures, and to turn our industry to agriculture; but if we were to do so, many of our most valuable raw products, such as iron and coal, would be comparatively valueless, and we should raise an amount of agricultural produce which the world could not consume. The surplus of this produce beyond what we could consume or sell would be of no value to us. A slight excess of supply over demand reduces the price of the whole, just as a similar excess in the demand over supply enhances the value of the whole. That our own supply would be always over-abundant, we do not doubt. But there is a worse evil than that of overgrowing a single product, — it is that of paralyzing the forces of industry by turning the whole of it into a single channel. A nation can no more be healthfully nourished by a single industry, than can the human frame by a single article of food. Even the bountiful earth requires rotation of crops. Agriculture cannot develop the entire capacities of a nation. Mechanics, manufactures, mining, trade, and navigation bring faculties into play which are not called out by the labors of the field; and the exercise of every faculty produces wealth.

Not only is a varied industry most productive within a state, but it enables a state the better to withstand the shocks to which it is subject from without. The interruptions of commerce by war may bring a dependent people to the extremity of distress. Witness the present condition of the factory laborers in England. If the cotton manufacture were not so predominating an employment, the temporary withholding of the staple would not be a national calamity. Even in small communities, there is great value in a diversified industry. There are towns in Massachusetts to-day where business has been paralyzed, and nearly all demand for labor suspended, because the inhabitants, one and all, made shoes for the Southern market.

The prosperity of the United States under her protective system, limited and unstable as that system has been, is one of the best evidences that the system is a good one. We have already shown that the exports of this country have increased more rapidly than those of Great Britain, by nearly

fifty per cent, since 1853. The product of our manufacturing, mining, and mechanic arts in 1850 was \$1,019,109,616; in 1860 it had reached \$1,906,000,000, an advance of nearly 90 per cent in ten years. The population, in the same period, increased only  $35\frac{1}{2}$  per cent; showing that the wealth of the country from these sources increased between twice and three times as fast as the population. The average product *per capita* of the whole population, and including all branches of industry, increased from \$44 to \$61. The greatest increase was in Rhode Island, pre-eminently the manufacturing State of the Union, the product of her industry having increased in ten years 117 per cent, and the amount *per capita* from \$150 to \$275. In Massachusetts, with a larger agricultural element, the increase of product was 69 per cent, and of the value *per capita* from \$159 to \$217. From other sources we derive still further evidence of the prosperity of Rhode Island under her manufacturing system,—evidence the more valuable that it discloses the effect of this prosperity upon the laboring class, which that system is sometimes thought to impoverish. The deposits in savings banks in Rhode Island in 1862 were \$9,283,000, which, with a population of 175,000, gives \$53 of deposits to each individual. In Great Britain, the savings deposits are but \$6.25 *per capita*; in New York, \$15.75; and in Massachusetts, \$36.59. In Rhode Island, the average of deposits to each depositor is \$267, and one person in five of the whole population is a depositor. Deducting the large number, in that rich State, who are above the necessity of using such places of deposit, and it is probable that one in every three of the men, women, and children of the industrial classes has a reserve in bank. Massachusetts and Connecticut fall little behind Rhode Island in the proportion of their people thus protected from the contingencies of age and sickness, and in the relative magnitude of their reserves. The product *per capita* of all the New England States taken together is \$158; of the Middle States, \$98.50; of the Western States, \$37; and of the Pacific States (California swelling the amount), \$123, while that of the Southern States is only \$16.

Thus we see what a protective policy has done for the



United States. If it is said that the chief advantages have been gained by the New England States, we reply, that the same system which has made Rhode Island rich is open to all the other States,—certainly to all the States where labor is free; and it is also to be remembered, that the wealth which is accumulated in any part of the republic goes to swell the aggregate wealth of the whole, and influences in some measure the condition of the humblest of her citizens. New England has no natural advantages for manufacturing over other sections of the country. Her possession of ample water-power is equally shared by some of the Middle and Southern States, while in a still greater number the inexhaustible supply of coal, capable of generating at once heat and motive power, gives them equal facilities for operating machinery. The States of Pennsylvania, Ohio, Indiana, Illinois, and Missouri possess signal advantages over New England for becoming manufacturing States; for besides their great mineral wealth in coal and iron, they are surrounded by the grain-fields of the West, and they are brought, by their navigable rivers, into near and cheap proximity with the cotton-fields of the South. Of wool, also, they already furnish the chief domestic supply to the New England manufacturers. Nor would we advocate protection to the manufacturers alone. The iron of Pennsylvania and Missouri, and the sugar of Louisiana, equally need the fostering hand of legislation. Who that considers the magnificent resources of that great State will believe, that, if the iron interest had always received judicious protection, the annual production of Pennsylvania's three million people would barely exceed that of Massachusetts, with her twelve hundred thousand?

The most serious obstacle to maintaining a protective policy in the United States has hitherto been a supposed antagonism between the interests to be affected in different sections of the country. While it has been admitted on all hands to be advantageous to the manufacturing States of New England, and to the mineral States, like Pennsylvania and Missouri, it has been represented as detrimental, in equal measure, to the corn and cotton growing States of the West and South. If this were true, we might not only despair of any future har-

monious action among the representatives of those sections, but should anticipate a growing divergence very dangerous to the country. But we cannot think that such an antagonism really exists. Their interests are too closely blended, and their mutual dependence too great, to admit of any special advantage enuring to one section, which will not, in large measure, be shared by the others. On the contrary, with the freest interchange of products between them all, the theoretical benefits which are claimed for the free-trade system seem absolutely within their reach. The East wants flour and provisions, and the West wants cloth; and if either can produce more of these articles than the other will consume, there is still the foreign market open to both. The object of each section is to sell the greatest possible quantity of its own productions, at the highest possible price. If the West can raise more bread-stuffs than this country can consume, the British market is always open to the surplus, though the price will seldom justify exporting it. If the European crop is short, then the export is profitable, and a more considerable profit still results to the grower, from the enhanced price which the whole crop brings at home as well as abroad, the price being substantially established in the foreign market. The foreign market, however, is not to be compared in value with that of our own country. The demand for export is never regular, and when it exists it develops a feverish speculation, which is very unhealthful to trade. It is only in seasons of bad European harvests that it exists at all. If only the British crop is short, the American farmer reaps no benefit whatever; for the grain-growing districts of Northern and Southern Europe are as near to England as the Western wheat-fields are to tide-water, and the cheapness of foreign labor renders competition impossible. How is the repeal of the tariff, then, to benefit the Western farmer? It will not diminish the cost of his production; for foreign manufactures do not and cannot enter to such a degree into the cost of a laborer's living, as that the imposition or repeal of duties on them can sensibly affect his rate of wages. Nor can the existence or non-existence of such duties affect the cost of land; and land and labor are the

only elements which enter into the cost of production of grain. If Europe needs grain, it will buy it where it can buy it cheapest; and if we can sell it cheaper than any other people, we have no need to take manufactures in payment, but may have our pay in gold, for it is an article of vital necessity. The home market, on the other hand, furnishes a steady and ever-growing demand. The total agricultural products of the United States, as reported in the census returns of 1860, amounted to nearly \$1,900,000,000. Of this only \$272,000,000 was exported, of which \$192,000,000 was cotton, leaving \$1,628,000,000 for home consumption. The export, including cotton, was but one seventh of the whole, while without cotton it was only one twentieth. The three States of Massachusetts, Connecticut, and Rhode Island, without doubt, consume a greater value of the grain and provisions of the West than the total export to foreign countries; but if their industry, by an unwise policy, were driven from its present channels to the cultivation of land, this whole demand would cease, and from consumers they would become producers, and competitors with the Western farmer. We would again refer to the arguments of Wilson, presented with such clearness and cogency in discussing the English Corn Laws. What was proved to be true of Great Britain then, is no less true of America now. It is a fact, also, not to be forgotten, that, in the debates and votes on the tariff in 1820 and 1824, all the grain-growing States took sides with the manufacturers in advocating those measures. The West has another and important interest in the tariff question, as a grower of wool. Nothing but a judicious and steady protection is wanting to elevate this into the first rank among the staples of the country.

The South has been the stronghold of free-trade opinions in America; and to realize this policy is one of the fondest dreams of her new Utopia. That region has not, however, been without the need and benefit of protection. The duties collected on sugar, molasses, and tobacco in 1860 amounted to \$10,500,000, which is more than one third of all the duties levied by the United States for protection in that year. The Cotton States have also reaped great indirect advantage from

protection to our manufactures ; for by that means they have had the security of two competing markets, augmenting the demand and enhancing the price of their staple. What is the South, then, to gain in freer intercourse with Great Britain ? Only the slight benefit which will accrue to three or four hundred thousand slaveholders by a small reduction in the price of English goods. They cannot materially increase the consumption of such goods under their present industrial and social systems, and consequently no efforts of theirs can increase the market demand or price for raw cotton. Nor can they, by free trade, reduce the cost of labor ; shoes and negro cloths are not likely soon to be produced in England as cheaply as in Massachusetts and the West, and these are the only covering which black skins require.

We are at a loss to perceive how free trade could be possible, if the South should succeed in establishing a separate government. The amount which it has contributed to support the government of the United States by the consumption of dutiable goods is less than the direct protection which the staples of that section have received. Even assuming their consumption to be equal *per capita* to the average of the whole Union, it amounts to only fifteen millions of dollars, and it is obvious, with four million slaves consuming absolutely no dutiable articles, and the "white trash" consuming hardly more, that the amount consumed *per capita* must, in the Southern States, be less than half the average. What is permanently to support such a government, if it be not indirect taxation ? There is no class of property upon which the burden of direct taxes falls so heavily as on that devoted to agriculture. It has been the chief obstacle to the framing of a tax-bill in Congress the present year, that the West could not bear direct taxes, and how to collect them, now that they are imposed, is an unsettled problem. How much better can the slave-ridden and impoverished land-owners of the South bear this heavy burden, than the free and thriving proprietors of the West ?

Though there are interests in the United States which we believe require protection, high duties are no longer demanded, except it be for revenue. The constant tendency of legis-

lation has been toward lower rates of duty.\* A great outcry has been raised in England against the Morrill tariff. It is spoken of as if it were a declaration of war against Great Britain, and sympathizers with the rebellion in that country have ingeniously suggested that it was the crowning outrage which drove South Carolina and her sister seceders out of the Union. Considering that the measure was not broached in Congress until after South Carolina had seceded, and after Southern members had generally retired, this reasoning is a little remarkable. If it were in reality an outrage, it is no less remarkable that Mr. Toombs, of Georgia, still occupying his seat in the Senate, voted for the bill. Was the South anxious to appear a martyr? The case has been so forcibly put by a recent English writer, that we cannot forbear to quote his words: —

“If,” says Professor Cairnes, “free trade be the real object of the South, how does it happen, that, having submitted to the tariffs of 1832, 1842, and 1846, it should have resorted to the extreme measure of secession while under the tariff of 1857, — a comparatively free-trade law? From 1852 down to 1860, the tendency of Federal legislation was distinctly in the direction of free trade. The most liberal tariff the Union ever enjoyed since 1816 was the tariff of 1857, and it was while this tariff was in force that the plot of secession was hatched, matured, and carried into operation.” †

This is the testimony of a British free-trader, and a professor of political economy! The tirade against the Morrill tariff is the offspring of passion, and not the result of a candid examination of its provisions. Mr. Bigelow shows, by a minute tabular comparison between this act and the tariff of 1846 (the “revenue tariff,” avowedly a Southern and free-trade measure), that, taking the *entire dutiable imports* together, the average rate of duties imposed by the Morrill tariff does not exceed that of the tariff of 1846. The duty on the total imports of the United States from 1857 to 1860 was less than 15

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\* The tariff of 1862 is an exception to the general truth of this statement; but it is a war tariff, and the increase of duties under it has been dictated by the need of greater revenue, and not of higher protection. The financial history of Great Britain is full of similar exceptions to her general policy.

† The Slave Power, p. 12.

per cent, while from 1846 to 1857 it was over 20 per cent, and during the forty years since 1820, 19 per cent.

We have been at considerable pains to review the successive steps by which England arrived at her present commercial system, and to explain the outward circumstances which from time to time influenced her legislation. We do not wonder that her "free-trade" policy, such as it is, commends itself to her people. It was based upon her wants and her situation as the first of manufacturing states, and we doubt not it was wisely chosen. But her wants are not our wants, nor are the positions of the two countries at all analogous. Even in England there are men sagacious enough to see this, and honest enough to avow it. One of her public men (quoted by Mr. Bowen in a note to his *Political Economy*) thus expressed himself in 1847:—

"I cannot quit this subject of Free Trade, without expressing my opinion on its abstract principle. I by no means hold that the principle of Free Trade is absolutely true, or that it is of universal application. *If I were an American, the citizen of a young country, I should be a Protectionist. If I were a Frenchman, the citizen of an old country, with its industry undeveloped, I should equally be a Protectionist.*"

But we meet among Englishmen with few so frank avowals. The burden of their criticisms is usually aimed at our ignorance, stupidity, and obstinacy, in not seeing American interests through English spectacles. Mr. Bigelow will be severely handled, we doubt not, in the *Times* and the *Economist*, and possibly in the graver (?) pages of the *Quarterlies*; but when his statistics are impugned, or his deductions from them met by serious argument, he will know how to make a suitable reply. Meanwhile, it will be fortunate for him, if, in his zeal in his country's service, he escapes the fate of List, the distinguished economist of Germany, of whom it is said, that he was "signalized to the London Cabinet, in the despatches of English ministers, as a dangerous enemy, on account of his endeavoring to rescue his country completely from the manufacturing monopoly of England."